



**HB772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment
Senate Finance Committee
March 31, 2026**

POSITION: SUPPORT

My name is Cari Guthrie, President and CEO of Cornerstone. Since 1971, Cornerstone has offered behavioral health services to people ages 5 and up in Calvert, Charles, St. Mary's, and Montgomery Counties. We currently serve over 3000 clients. We are one of the original CCBHC's in Maryland, supported with SAMHSA grant dollars. We provide services across the continuum of care - residential, psychiatric rehabilitation, crisis, ACT, targeted case management (TCM), employment, In Home Intensive Services (IHIP) and outpatient mental health centers (OMHC).

I supported the original bill, and strongly support the amended version. The amendments transform HB772 from a standalone workgroup into a coordinated, action-forcing framework and that distinction matters.

HB772 with amendments is key to supporting Maryland Behavioral Health System for several reasons:

1. It provides a data driven approach to rate setting.
2. It provides a structured process with the work group that includes providers.
3. It requires MD to use the ongoing cost study data mandated by the HOPE Act of 2017.
4. It establishes MHCC as a neutral facilitator with a designated technical liaison to keep things collaborative and moving forward.
5. It incorporates federal Medicaid financing rules and requirements.
6. It ensures transparency and plans for implementation.
7. It helps us determine a rate structure that supports the services that are being provided and helps ensure they can continue.

These policy measures are desperately needed, as Cornerstone's experience demonstrates the devastating impact of a lack of rate methodology.

Since Cornerstone took over 3 of Montgomery County OMHC's in 1999, we have budgeted annual losses up to \$1 million dollars for that program. One of the reasons that Montgomery County privatized their 5 clinics at that time was simply that the Medicaid rates could not support the County salary structure and they could no longer afford to manage that service. Even though our salaries were lower, that has still not been enough to change that issue. OMHC's are our most costly service because of the cost of the licensed providers that are required - psychiatrists, Nurse Practitioners, nurses, and therapists all need to be licensed and all have much higher salaries. As a nonprofit organization with a limited budget, we have not been able to match salaries with many of our competitors - often losing candidates and staff to government, schools, hospitals, or DC and Virginia.

But we continued to provide these services, maintaining that they are key to our mission and depending upon other service lines to make up the difference. The problem with that is over time, you impact the stability of the entire organization with ongoing deficits and the inability to provide salary increases and other benefits and needs to all staff across the agency - even across programs that make money and could support higher salaries if they stood alone.

What has that meant for Cornerstone?

- It means we have had turnover rates as high as 40% while coming out from COVID.
- It means that we have had to close intake to new clients in multiple programs even as need has increased because we do not have the staff capacity to serve them.
- Hiring licensed providers has been the most challenging - while other positions are filled in less than 30 days, these licensed positions take over 3 months to put in place.
- Our clinic alone lost 400 clients during COVID and we have not been able to recover any of those numbers because of staffing capacity.
- It means that we have had to purposefully shrink three programs capacity - ACT by 100 clients, Residential Crisis by 8 beds, and Behavioral Health Homes by 250 clients, because we didn't have the staff to provide the services.
- Our exit interviews confirmed that those staff were leaving because they could get higher paying jobs elsewhere. Those same exit summaries also report that they love the clients, they love their teams and they wish they could stay.

That annual \$1 million dollar loss in the OMHC could have paid for a lot of salary increases over the years and we would not be in this situation. Rate setting for CCBHCs and OMHC's can stabilize workforce, access to care, and quality of care.

Cornerstone's mission is to empower people with behavioral health disorders to thrive in their community through collaboration, treatment, education, and advocacy. We are bearers of hope, committing to helping them live a life of their choosing. Approving HB772 is an obvious step to improve access to effective health care so that they can improve their health, be productive members of their community, and have a quality life of their choosing. We respectfully request a favorable report on HB772.

Thank you.